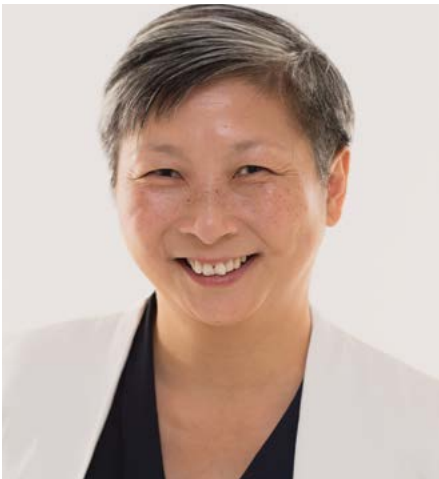


CHOICE

ANNUAL REVIEW 2020–21

Co-chairs & CEO report

We demonstrated the value of CHOICE as people needed us more than ever



Anita Tang, Chair



Robert Southerton, Deputy Chair



Alan Kirkland, CEO

Index

- 4 Fighting for fairness
- 6 Investigations: Highlights and performance
- 7 Working with people to drive change
- 8 Growing our online audiences
- 9 Membership
- 10 Donations & CHOICE Recommended
- 11 Helping people through independent testing
- 12 Social and environmental impact
- 14 Financial results
- 15 Meet our Board

It's impossible to talk about the last year without reflecting upon the impacts of COVID-19. As we entered 2020–21, the country had just emerged from the first wave of COVID infections and as we ended it, Sydney was facing a rise in cases that would have impacts across the country.

While CHOICE has always supported consumers through challenging periods, the impacts of COVID-19 were unprecedented. Many consumers lost work or income, parliament's normal work was interrupted, supply chains were disrupted and we, like everyone, had to find new ways of working.

While these terrible circumstances are the backdrop for this report, they don't set the tone of it. Early in the pandemic, it became clear that people needed CHOICE more than ever, with new

challenges arising from public health measures and increased financial vulnerability, so we shifted our focus to helping people where they needed us the most. We're pleased to report that this unrelenting focus on our purpose allowed CHOICE to emerge from 2020–21 even more resilient and adaptable.

Protecting and advocating for consumers

Our most important role is always to ensure that governments make markets safe and that businesses treat customers fairly. This was even more important as COVID-19 created demand for new products and many people faced financial hardship.

Much of our work required us to respond rapidly to COVID-19, as we fought successfully for a new standard ▶

for hand sanitiser and for health insurers to treat their customers fairly in a time when many could not get full value from their insurance. We also maintained pressure on banks to provide fair treatment to people in financial hardship.

We continued work on existing priorities, pushing the federal government to finish implementing the reforms recommended by the banking royal commission and, through our partnership with Super Consumers Australia, calling for a historic overhaul of superannuation laws to stop people getting trapped in poorly performing funds.

The pandemic also created threats to some previous reforms, as the federal government attempted to unwind safe lending laws that had been introduced after the global financial crisis. CHOICE banded together with a broad coalition of consumer and community groups to call upon the Senate to protect these laws – and as at the date of this report, the government has been unable to get its changes through parliament.

Our members and supporters were crucial to all of this advocacy and campaigning, writing to parliamentarians, signing petitions and sharing personal stories of their experiences with banks and timeshare schemes, reinforcing our role as an organisation that works with, as well as for consumers.

Membership

While being a member of CHOICE has always been about much more than product reviews, they played an important role in attracting new people to membership in 2020–21, as people spent more time at home and did more of their shopping online. As well as testing staples like dishwashers and televisions, we responded to increased interest in products like air fryers and webcams.

We also worked to broaden the ways that members engage with CHOICE, encouraging more people to support our advocacy work, provide case studies for our investigations or help other consumers through our online forum, **CHOICE.Community**.

To encourage new and existing members to stay with CHOICE, we improved our regular email programs and made it easier for people to manage their membership online.

Responsible lending laws: why they matter

Join us for a virtual briefing on how the Government's proposed irresponsible lending laws will harm people and hinder the economic recovery.



Adele Ferguson AM
Gold Walkley winning
Investigative Journalist



Alan Kirkland
CEO, CHOICE



Karen Cox
CEO, Financial
Rights Legal Centre



Gerard Brody
CEO, Consumer
Action Law Centre



Fiona Guthrie
CEO, Financial
Counselling Australia

10am Friday 2 October AEST

Register at responsible_lending.eventbrite.com.au

More royal commission recommendations become law



"Alongside other consumer advocacy groups, CHOICE has been fighting for reforms like this for decades, so it's great to see these recommendations finally become law,"

- Patrick Veyret, CHOICE's Banking Policy Adviser



CHOICE

We also continued to grow our fundraising program, testing a range of new ways for people to donate to increase our impact.

Together, these changes helped us to grow CHOICE membership from 180,667 to 196,493 – an 8.7% increase across the year, taking it to the highest level since 2009. Besides improving our financial sustainability, this makes CHOICE an even stronger force for change.

Financial outcomes

As reported on page 14, we delivered on our commitment to return CHOICE

to a surplus after four years of investment in the organisation through planned deficits. While the pandemic affected income from our CHOICE Recommended licensing scheme and testing for external clients, growth in membership more than made up for that, allowing us to grow revenue by 4.3%. General operating expenses grew by only 0.7%, allowing us to deliver a surplus of \$0.26m (excluding expenses relating to a travel grant received in an earlier year).

These results ensured that CHOICE ended the year with a healthy level of cash reserves, putting us in a good ▶

position to respond to what is likely to be a further period of uncertainty in 2021–22.

Effective governance

At the 2020 AGM, we bid farewell to our Chair, Sandra Davey. Over eight years on the Board, three of them as Chair, Sandra had helped to guide us through an important period in growing our digital capabilities. This work turned out to be critical to our ability to grow membership in 2020–21, for which we are all grateful.

Anita and Robert replaced Sandra, formally filling the roles of Chair and Deputy Chair but sharing Board leadership responsibilities equally in an informal co-chairing relationship. Having seen the effectiveness of this type of arrangement, the Board determined to propose a constitutional change to the 2021 AGM, to allow for a more formal co-chairing arrangement in the future.

The Chair of our Finance, Risk and Audit Committee Helen Wiseman, who was well known to voting members from her helpful and transparent reporting on financial performance, also stepped down at the 2020 AGM. Helen helped to guide our financial strategy through our four years of planned deficits and her unique approach to explaining financial results was greatly appreciated by the Board and many voting members who attended AGMs. Samantha Challinor replaced Helen after being appointed to a casual vacancy. Samantha brings strong experience in financial and risk management from roles in governance with other not for profit organisations.

There was strong interest in the three positions elected in the lead-up to the 2020 AGM, with 19 nominations. After an assessment by the Nominations Committee, five candidates proceeded to election. Board member Alex Kelly was re-elected and new members Kat George and Fiona Jolly joined the Board. Kat and Fiona bring a diverse range of experience across public policy and governance and have already made valuable contributions to our thinking.

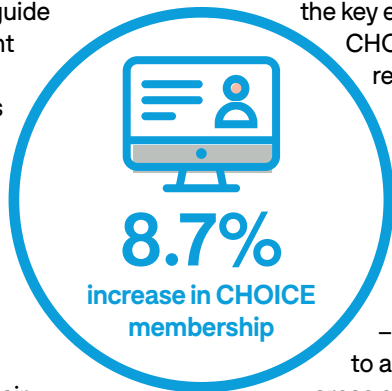
Future strategy

As we enter 2021–22, we do so with a new strategy to guide our work over the next three years. Setting strategy is one of the Board's most important roles, so this was our major focus through the first part of 2021, as we worked with the management team to understand the key external forces affecting CHOICE and how best to respond to them.

The strategy that emerged from this process has three key goals:

- **We drive big changes and more people know us for it**

– This will see us seek to achieve change in new areas of importance for consumers, especially in services markets. We also want to continue to respond rapidly to emerging events, as we have done in response to bushfires and the COVID-19 pandemic over the past few years.



- **Our membership is larger and more engaged** – We recognise that membership growth is our key strategy for securing the organisation's sustainability and increasing our impact. We'll do this by finding new ways to attract and help members alongside our product testing work, and by encouraging more people to be involved in our campaigns, research and investigations.
- **We are an organisation that people want to support and work for** – We want CHOICE to be a role model for other organisations, so will focus on improving the diversity of our workforce, building an effective and collaborative culture, and applying an ethical and sustainable lens to the way that we operate as an organisation.

While the environment in which CHOICE operates will continue to be unpredictable, we are confident that we've built a stronger organisation through 2020–21 and that our new strategy sets us up to have an even greater impact over the next three years. ■

Why are fund mergers good for members?

If your super fund is merging:

- ✓ Look out for a 'significant event notice' from your fund
- ✓ Check your fund's fees, performance & insurance
- ✓ Consider consolidating any extra accounts via MyGov



Need to know:

- Super Consumers Australia analysis shows that super fund mergers are benefitting fund members
- Despite increased merger activity, a 'long tail' of underperforming funds remains largely in place
- A new yearly performance test for super funds is expected to lead to more mergers and, ultimately, help people retire with higher savings



CHOICE

CHOICE

GOAL: Increase the power of consumers



L-R: James Sleep, Financial Counselling Australia; Patrick Veyret, CHOICE, Carmel Franklin, Deb Shroot and Rosie Fisk, Care Financial Counselling and Consumer Law, and CHOICE CEO Alan Kirkland.

Fighting for fairness

Informed by our independent testing, analysis and investigative journalism, we achieved important reforms with long-term benefits for millions of people

The last year presented significant challenges for our work to make markets fairer for consumers, as people needed us to focus on new issues that suddenly mattered in a world of lockdowns and pandemic safety measures.

Examining the reliability of hand sanitiser was an early priority. Our testing and investigations revealed the need for reform, and our advocacy played a big role in pushing the federal government to introduce new rules for how sanitiser is sold and labelled. This will make it easier for people to find products with the minimum amount of alcohol needed to properly protect against viruses.

Advocating in a pandemic also meant looking for where people needed our help most. This led us to work on new issues, including:

- partnering with the Indigenous Consumer Assistance Network to expose price gouging, especially in remote communities

- pushing big businesses to be clear and fair when offering support to people in financial hardship, including forcing health insurance companies to publicly disclose and improve hardship policies
- advocating for superannuation funds to ditch junk terms in their default insurance products that had the effect of excluding many people with reduced hours or casual working arrangements.

We also began work on an area that continued to cause grief for many – difficulties obtaining fair remedies for travel plans that had been cancelled due to COVID-19. We collected nearly 4500 case studies from people who had travel plans cancelled in 2020 or 2021. These stories helped us to develop a report and plan for stronger consumer rights across the travel sector. This report, which was launched early in 2021–22, called for better refund rights, customer service standards and complaints handling, and is available online at choice.com.au/travelreport.



Reforms to help consumers

This year we were forced to not only fight for better laws, but to defend existing protections. In September 2020, the federal government announced that it intended to remove the safe lending protections in the Credit Act. These laws were introduced after the global financial crisis and are used every day by consumer advocates to challenge instances where a bank has lent in a way that has caused harm to a customer. We moved fast to fight against this proposal, in partnership with frontline organisations like Consumer Action, the Financial Rights Legal Centre and Financial Counselling Australia. CHOICE coordinated an open letter, signed by over 125 organisations and 33,000 individuals, met with a broad range of parliamentarians to press the case for retaining safe lending protections, and attracted significant media attention. As at the date of this report, safe lending laws remain, and CHOICE remains committed to defending them.

Other important victories saw the realisation of long-promised reforms. By the end of the year, the federal ▶

government had implemented nearly all of the recommendations from the banking royal commission, leading to higher standards in financial advice, insurance and banking. At a state level, Queensland, the ACT and Victoria banned bank marketing programs, such as Dollarmites, from schools, in favour of independent financial literacy programs that help young people learn about banking.

After years of advocacy by CHOICE, the Assistant Treasurer announced an important change to our product safety rules – a new standard for button batteries. Button batteries have caused significant harm to young people and have sadly led to several deaths. Reform was only possible due to years of effort from CHOICE supporters, safety groups like KidSafe, and the brave parents who spoke out after button batteries harmed their families. Special credit goes to Andrea Shoesmith and Allison Rees who both lost daughters to button battery accidents and have tirelessly campaigned to make sure that Australia is the first country in the world with mandatory safety standards for all products containing button batteries.

We helped to build a strong consumer movement through our ongoing partnership with Super Consumers Australia. This specialist organisation has been incubated within CHOICE during its start-up phase and has already helped to achieve incredibly important reforms in the superannuation sector, like an end to costly duplicate accounts and new systems to curb high fees and poor performing funds. The federal government announced new funding for Super Consumers Australia in the 2021 Budget that will allow it to continue to advocate for consumers for at least two more years.

Looking ahead to new issues that matter

Over the next year, you'll start to see CHOICE in new debates that will increasingly shape our lives. We're not giving up the fight on fairer finance or better product safety standards. These issues remain core to our mission. But we're expanding our efforts on two important fronts: environmental issues that affect consumers and the ways that big businesses use (or misuse) consumer data.

On environmental issues, in the past year we pushed insurers to meet minimum standards for home and contents insurance for people facing more frequent and more intense bushfires. Our campaigning and investigations work saw all insurers adopt a baseline standard for bushfire terms in their home and contents policies, giving home owners and tenants peace of mind in case of disaster. We are now working on further reforms to support people facing the impacts of climate change, as well as changes to improve the water efficiency of appliances and make it easier to buy appliances that will last longer through a right to repair.

In the field of data rights, we examined how some large online companies are using consumer data to apply discriminatory pricing. In August 2020 we revealed that dating site Tinder was setting different prices for different groups of Australians – charging older people more than younger people and likely using data like location, sexuality, gender and interests to set prices. Further exploring how data is used against people is a significant focus in our new three-year strategy. ■

Can we fix it?

Building a meaningful right to repair for Australia



"Australia is late to the 'right to repair' debate – the US and the EU already have some laws in place to make things easier for consumers.

But that means we have a chance to adopt a big-picture solution that covers product design, point-of-sale information, repair processes and intellectual property blockers that stop people getting fair repairs."



CHOICE

The numbers – benefits to all consumers:

- 1.9 million school children will have access to independent financial literacy programs with Dollarmites banned in ACT, Victoria and Queensland.
- The new button battery standard is expected to prevent four fatalities, up to 423 severe injuries and 8900 emergency presentations over 10 years.
- Consumers will save \$17.9 billion over 10 years through better performing super funds.
- 850,000 fewer duplicate super accounts will be created every year.
- Four out of five major health funds now have publicly available hardship policies.
- All insurers now have minimum levels of insurance cover for fire.
- \$7.7 million was paid in fines by companies after CHOICE reported issues to regulators.

Investigations: Highlights and performance

GOAL: Increase the power of consumers

At CHOICE, we pride ourselves on our tenacious pursuit of those that do the wrong thing by consumers. That sometimes means pursuing issues for many years before we see positive outcomes.

Timeshare is one area that has required this degree of persistence. We have been investigating the industry for many years, sending journalists to observe the sales tactics at timeshare seminars and doing the maths to demonstrate that most schemes aren't good value for money. We have featured a number of heartbreaking stories from people who can't escape schemes they signed up to decades ago, despite being no longer able to afford the ongoing fees. Timeshare operators are also quick to claim that these obligations don't end when a person dies, but instead are passed onto their children, a situation many are desperate to avoid.

In May 2021 we used these years of work, along with a survey of timeshare members, to produce a lengthy investigation and complaint to the Australian Securities and Investments Commission (ASIC), outlining the many issues with the industry. While, as at the date of this report, we were awaiting a formal response from ASIC, we took

heart from comments by Deputy Chair Karen Chester to a parliamentary committee in June 2021 indicating that ASIC had put the industry on notice to clean up its act or face increased regulation.

We also turned our minds to new financial products like the rapidly growing buy now, pay later (BNPL) sector. In a three-part series, journalist Jarni Blakkarly outlined the many problems with these products, bringing to light some of the terrible stories of people who have found themselves struggling to get by after taking on too much. This series focused on the fact that these products have been designed to

evade being regulated as credit products. As one financial counsellor told us: "We are seeing BNPL used by people who are under pretty severe financial hardship, because there are no credit checks or the credit checks they do are pretty lax." We will continue to scrutinise this sector as it continues to grow.

Our investigative work is most rewarding where it delivers an immediate outcome, as we saw in our work on Telstra overselling to seniors. This exposed cases like that of Nola – a 91-year-old who was signed up to an internet plan, despite only using

a landline and not even owning a computer. Within days we were contacted by Telstra and regulators, keen to help resolve the issues for the individuals whose stories we profiled and to discuss how to stop other customers from suffering similar harm.

More and more, our most effective investigations result from tip-offs and case studies from our supporters, members and the broader community. This demonstrates CHOICE's unique role as an organisation that not only works for the community, but works with people to highlight harm and achieve change. ■

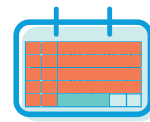
15 things wrong with timeshare schemes



Getting less and less for your money as the terms of the deal change



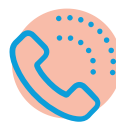
Better deals increasingly on offer outside of timeshare schemes



Very difficult to book the desired weeks for a holiday



Pressure sales tactics before and after signing up to a scheme



Frequent sales calls urging members to upgrade to more weeks



Pressure to upgrade at sales sessions while at holiday resorts



Promised deals and entitlements that don't materialise



Benefits that disappear without consultation



Steady increase in annual fees



Tired condition and undesirable locations of holiday properties



Total lack of buyers for unwanted timeshare schemes



Members forced to plan holidays around available weeks



Points system opaque and difficult to figure out



Poor customer service



Members not informed they can't exit schemes



91-year-old Nola Lehninger doesn't use the internet, but Telstra signed her up to a plan.

Working with people to drive change

GOAL: Engage more people

People power helped us to make Australia a fairer place for consumers

For more than sixty years now, CHOICE has been powered by thousands of consumers banding together to make a difference. In 2020–21, our supporters went above and beyond to help us on some of the toughest challenges we faced, especially as a result of the COVID-19 pandemic.

Sanitiser standards

One of the first challenges to crop up was reliability of hand sanitiser, which had become an essential product for all of us. CHOICE first reported on the hand sanitiser labelling issue in June 2020, when our testing uncovered a product sold by Mosaic Brands that was labelled 75% alcohol. The test revealed it contained just 23%, well below what is needed to be effective against COVID-19.

CHOICE supporters helped us to shine a light on this problem. More than 300 people chipped in to help fund lab testing of dozens of hand sanitiser brands, and another 22,626 added their name to our petition calling for a national labelling standard. The minister listened to our concerns and agreed. Thanks to public pressure,

a new standard will require hand sanitiser products to disclose alcohol content on product packaging and include safety warnings.

Seeing off attacks on safe lending

The next unexpected development came when the government announced plans to wind back safe lending laws: essential consumer protections that

are there to stop banks trapping people into unaffordable loans.

Removing these crucial consumer protections would hurt families, damage the economy and fly in the face of the very first recommendation of the banking royal commission. Over a six-month period, CHOICE supporters and members took almost a dozen actions to ask members of parliament to stop these changes from happening.



Working deeply

While having large numbers of people work with us has been crucial to some of the biggest wins we saw in 2020–21, sometimes the deeper work of just a few made all the difference. In May 2021, we submitted a super-complaint to ASIC on the timeshare industry highlighting that, at every stage, consumers report unfair or oppressive practices that are either in breach of the law or fall well below community expectations. This was only possible because 353 CHOICE members chose to share their stories in great detail.

Backed by this evidence, we called on ASIC to take action and prosecute timeshare providers who break the law, and to conduct a wholesale review of the industry.

Thank you

There are dozens of other campaigns that CHOICE members powered over the last twelve months: issues like improvements to insurance definitions, fairness in finance, and travel industry reform. To all those who got involved – thank you.

If you want to see more of this work, visit choice.com.au/campaigns. ■

Actions to save safe lending

33,102

signed our open letter to parliamentarians

6277

emailed senators calling for protections to stay in place

562

chipped in to fund national and state ads

924

shared their stories of mistreatment from banks

Growing our online audiences

Extending our reach through our website and social media

GOAL: Engage more people



The more people who visit our website, the more we are able to help through our information and advocacy. Once again, we enjoyed a record-breaking year for visits to **choice.com.au**.

A key driver of this increase was growth in the number of people who visited after seeing a post on social media, with traffic from this source 68% higher than last year. While most of this came from Facebook, we also grew the number of people engaging with CHOICE through Instagram.

We also worked to make it easier for people to find us via search engines. As people stayed – and shopped – at home, we focused on producing information on the products they were considering. This helped to drive an 18% year-on-year increase in traffic from search engines to home and living pages, an 11% increase to electronics and technology pages and a 3% increase to home improvement pages.

We also made more of our annual Shonky Awards, moving them from October to November. This helped to raise awareness of CHOICE closer to the peak retail sales period of December–January, meaning that we were top of mind for potential members who were seeking trusted advice on the best products to buy.

Articles that highlighted the poorest performing products in some of our key tests proved especially popular. Our series of articles on products to avoid drove over 800,000 visits to **choice.com.au**. These stories are uniquely CHOICE because our independence and rigorous testing allows us to fearlessly name those products that fail to deliver for consumers.

Investigations into shonky businesses and products – like the hand sanitiser testing highlighted on page 7 – also helped grow the number of people visiting **choice.com.au**, as did testing that revealed serious safety failings in everyday household goods and products for children and babies.

We also continued to produce articles that helped answer everyday consumer questions and provided tips on topics as wide-ranging as how to clean a baby car seat and ways to spot a scam website.

As a result of these efforts, overall traffic to **choice.com.au** grew by 4% in 2020–21, helping to increase awareness of our work and introduce more people to the idea of joining CHOICE. ■



Membership

GOAL: Grow our revenue

The COVID-19 pandemic highlighted the importance of information you can trust

During times of crisis people turn to those they trust the most for the essentials – national broadcasters, scientists and, curiously but perhaps understandably, supermarkets. We were pleased to see people think about CHOICE in the same way over the last year, as they looked for information they could trust on issues as diverse as travel rights, hand sanitiser, air purifiers and health insurance.

As many people lived through lockdowns at various times during the year, we saw big jumps in the number of people shopping online, buying new appliances to help them cook at home and taking on home renovations. We monitored trends on the topics people were searching for and produced tests and articles in response, helping us to attract record numbers of people to **choice.com.au** and achieve the fastest growth in membership in over a decade. The number of people joining CHOICE was 30% higher in 2020–21 than in the previous year.

We also improved how we helped members by investing in the way we delivered test results and enhancing the experience of being a member.

We made a number of improvements to our online product comparison tool in response to member feedback, ensuring that it continues to be more detailed and easier to use

than those on many other comparison sites. This included the introduction of the most asked-for feature from our members – the ability to print out the data on the products you have shortlisted on **choice.com.au**.

We also made significant improvements behind the scenes to help members better manage their membership and communications online through a new My Account page.

And consistent with our goal of involving more members in our advocacy work, we launched a Consumer Defenders newsletter which highlights our work in defending consumer rights through investigative journalism and advocacy. This is an important part of our goal of ensuring

that CHOICE is known not just as a product review organisation, but one that also makes markets work more fairly for all of us. ■



AS THE COVID-19 CRISIS CONTINUES, WE'RE HERE TO HELP

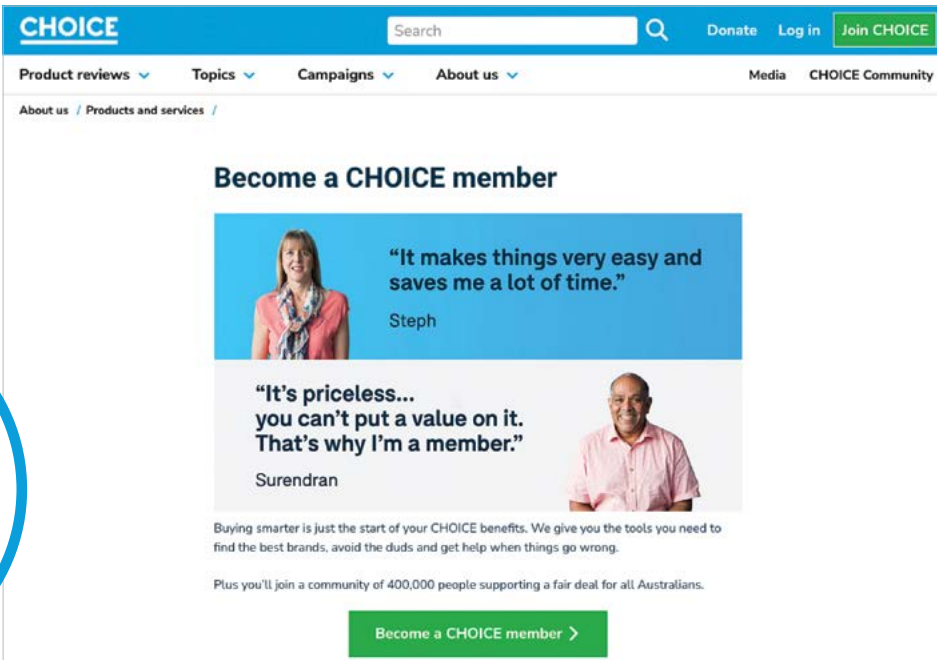
We're answering your consumer-related questions during this pandemic.

choice.com.au/coronavirus

CHOICE

At the start of 2020 we had
178,000
members

18 months later,
at the end of
June 2021, we had
196,493
members



CHOICE Search [] Donate Log in Join CHOICE

Product reviews Topics Campaigns About us Media CHOICE Community

About us / Products and services /

Become a CHOICE member

"It makes things very easy and saves me a lot of time."
Steph

"It's priceless... you can't put a value on it. That's why I'm a member."
Surendran

Buying smarter is just the start of your CHOICE benefits. We give you the tools you need to find the best brands, avoid the duds and get help when things go wrong.

Plus you'll join a community of 400,000 people supporting a fair deal for all Australians.

Become a CHOICE member >

Donations

How member support increases our impact

CHOICE members have always been passionate about the work we do: they want to see a safer and fairer Australia for all consumers. That's why in 2020–21, members and supporters chose to make 3124 donations – big and small – to help keep CHOICE fearlessly independent.

Many of our members chose to give a donation in addition to their membership, or to add a small amount upon joining CHOICE. Each contribution

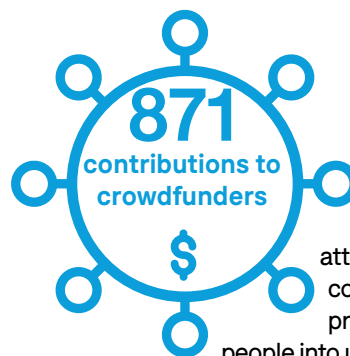
helped to power our core mission: rigorous lab testing, investigative journalism and consumer advocacy for the benefit of all consumers.



Others chose to fund specific campaigns that helped CHOICE to make a difference on issues of importance through 'crowdfunders'.

After discovering misleading claims being made by hand sanitiser companies, over 309 supporters chipped in so that we could test dozens of products being sold across the country. The data from those tests, along with massive public pressure, convinced the federal government to create a mandatory information standard.

Similarly, support from 562 supporters allowed us to run advertisements in capital city newspapers



calling for senators to block the government's attempts to remove crucial consumer protections that prevent banks from trapping people into unaffordable loans.

We're grateful to all those CHOICE members and campaign supporters who chose to give in the last year. While donations are not tax-deductible because CHOICE doesn't have deductible gift recipient status,

each contribution helps us to make a bigger difference.

If you'd like to make a donation in the year ahead, you can do so by visiting [choice.com.au/donate](https://www.choice.com.au/donate) ■



CHOICE Recommended

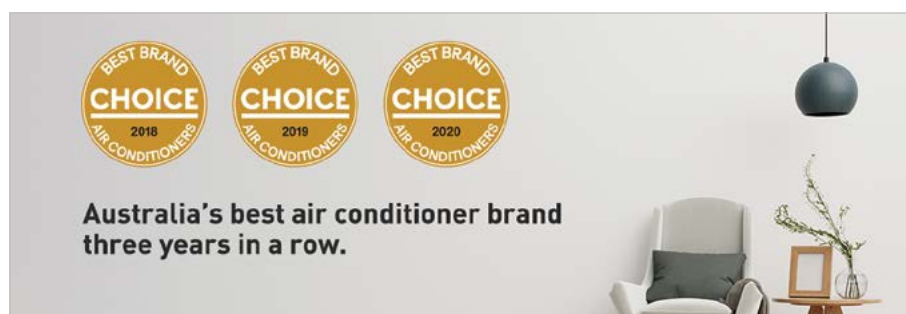
Unlocking the power of CHOICE's independent testing

It has always been part of our purpose to help not just our members but also the broader public, by encouraging the development of better products and services and making it easier for people to find them.

An important way that we do this is through our CHOICE Recommended licensing scheme. Where a product or service exceeds high benchmarks in our independent testing, the manufacturer can enter an agreement with us to use the CHOICE logo in advertising, on packaging or at point of sale. This gives CHOICE control over the way that manufacturers refer to our test results and, most importantly, creates a powerful incentive for businesses to do the right thing by their customers by creating products that are good enough to earn CHOICE recommendation.



Demand for CHOICE Recommended licenses shrank significantly in the first part of 2020–21 as manufacturers grappled with the consequences of the global pandemic. Demand recovered somewhat in the second half of the year, as economic activity recovered in some parts of the country. While licensing revenue fell by 16% across the year, it remained our second largest source of income after membership. ■



Helping people through independent testing

GOAL: Grow our revenue

Expanding into new products and services in response to member feedback

Through 2020–21, we continued to help people through testing household products we are well known for, as well as expanding into new areas in response to member feedback. We developed new tests for food dehydrators, plastic containers, TV hearing aids, webcams and headsets, as well as revisiting pool cleaners for the first time in some years.

As interest in air purifiers grew after the bushfire season of summer 2019–20 and the emergence of COVID-19, we expanded our testing of these products. We found one – the GreenTech PureAir 500 – that performed so poorly it won a spot in our 2020 Shonky Awards.

We also tested hand sanitisers for the first time, finding some that didn't meet the minimum criteria to be effective

against COVID-19. Following these findings, the ACCC fined Mosaic Brands \$630,000 for making false and misleading representations about some of its products.

Many consumers understandably questioned the value of health insurance during COVID-19, with the public health system proving its worth and many of the services covered by extras insurance unavailable due to public health restrictions. We produced a wide range of articles to help people to make decisions about insurance, including our annual review of the best value policies.

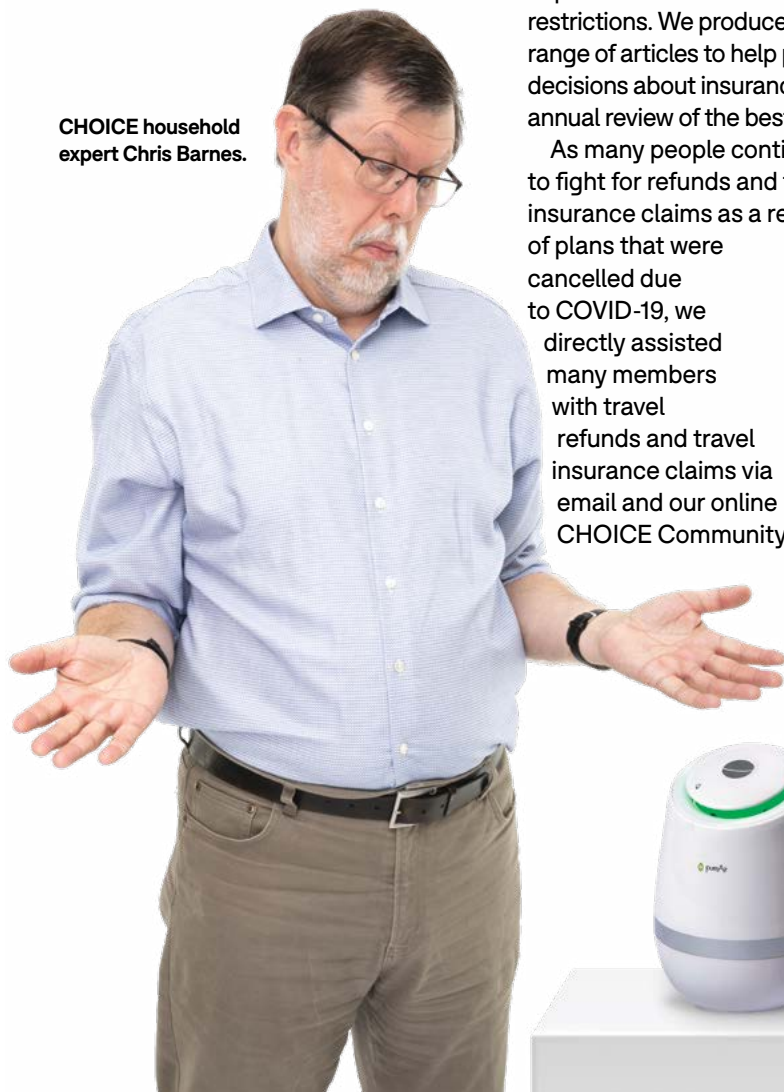
As many people continued to fight for refunds and travel insurance claims as a result of plans that were cancelled due to COVID-19, we directly assisted many members with travel refunds and travel insurance claims via email and our online CHOICE Community,

and continued to update the advice in our articles as circumstances changed.

Continuing our interest in product safety, we returned to testing trampolines for the first time in a few years, finding that not much had changed, with very few passing the voluntary safety standard. We also participated in the development of a new standard for button batteries, to protect children from the risk of serious injury or death. The new standard will require better packaging, improved labelling and a coating that makes the buttons taste bitter.

During the year we also achieved National Association of Testing Authorities (NATA) re-accreditation for testing of whitegoods and children's products. This accreditation allows us to generate revenue by testing for external clients, as well as giving the public confidence about the rigour and reliability of our independent testing. ■

CHOICE household expert Chris Barnes.



Social and environmental impact

Maintaining our commitment to staff wellbeing, diversity and social and environmental responsibility during COVID-19

GOAL: Impact and sustainability



Melanie Stopic, Soraya O'Malley, Uli Eichhorn and Nikki Jamett pack food hampers at Addi Road Food Pantry.

Social impact committee

During a particularly tough year for charities and welfare groups, our staff-led social impact committee continued our work in the community, including support for our main charity partners the Women's and Girls' Emergency Centre (WAGEC) and the Fred Hollows Foundation. CHOICE donated almost \$100,000 worth of household goods to WAGEC to assist women and children, while an easing of restrictions allowed us to participate in Fred's Big Run in August 2020, raising almost \$10,000, and the Walk for WAGEC in May 2021, raising close to \$7500.

Paid volunteering leave supported staff to participate in a range of community activities. Some worked at Addi Road Food Pantry packing food hampers for vulnerable communities, our dedicated team of blood donors saved 174 lives through the Australian Red Cross Lifeblood service and Bushcare volunteers planted 150 new seedlings at the site we look after on the Cooks River.

Our staff fundraising activities adapted to encompass virtual events as we moved in and out of health restrictions, with the highlight being an online talent quest that raised \$3000 for local homelessness service Loaves

\$100,000

worth of test goods donated to support women and children in need

& Fishes restaurant at the Exodus Foundation, and WAGEC.

Staying carbon neutral

We maintained our commitment to carbon neutral status under the federal government's Climate Active program. While our energy usage was 3% lower than last year, the number of carbon emissions we recorded increased as we improved reporting to include more sources of emissions, such as food and catering, IT equipment and software, office equipment, freight, advertising and business services.

To maintain our carbon neutral status, we purchased carbon offsets for the emissions we couldn't eliminate. Over the next three years, we're committed to reducing our need to rely on offsets to achieve carbon neutral status. ▶



Nikki Jamett and Graham Byrne at Addi Road Food Pantry.



The CHOICE Bushcare group planted 150 new seedlings along the Cooks River.

Employee wellbeing

People are fundamental to everything we do, so supporting staff wellbeing is always a priority but this was even more so as we navigated through the pandemic, with most staff working from home for some or all of every week.

We measured staff wellbeing through regular surveys, which helped us to understand the challenges people were facing and how we could best support them. We provided a broad range of supports and activities, including:

- mental health webinars on topics like resilience and empathy
- training and appointment of over 20 mental health first aid officers
- wellbeing check-ins with every employee
- activities to keep people connected, including online exercise sessions, virtual 'water cooler' meetings and events celebrating specific events such as Reconciliation Week and International Women's Day 2021.

One positive outcome of our response to the pandemic has been our decision to move to a hybrid work model, allowing people to work



An easing of restrictions allowed CHOICE staff to join the Walk for WAGEC in May 2021.

from home and the office in a flexible way. This has increased wellbeing, with 98% of staff reporting this as something they value.

This focus on employee wellbeing helped us to maintain a high staff engagement score – with an average of 80% across the year.

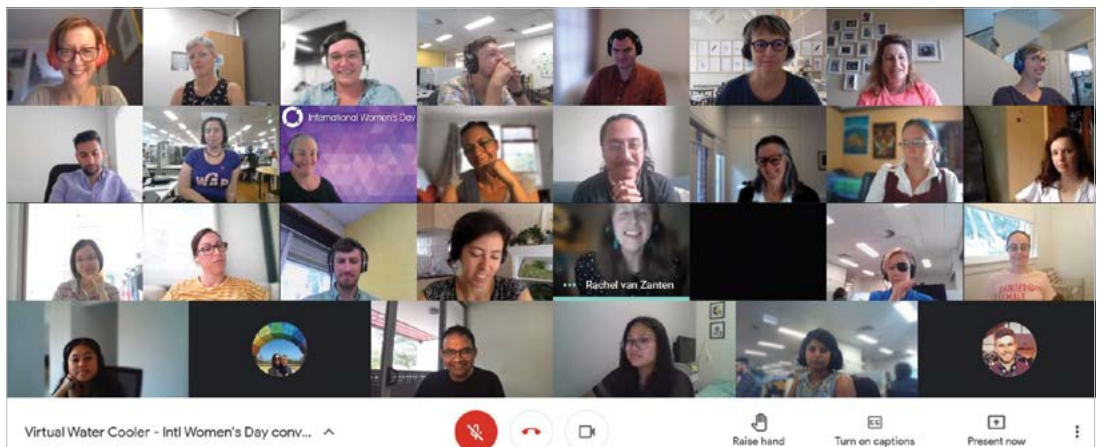
Diversity and inclusion

We are committed to a diverse and inclusive workforce because we see that as necessary for us to understand and meet the needs of a diverse community. Over the last year we took a number of steps to improve diversity and inclusion at CHOICE, including:

- starting work on our first Reconciliation Action Plan

- measuring how staff experience working at CHOICE, including whether managers model inclusive behaviours
- reimagining our recruitment process to incorporate inclusive advertising and selection techniques
- implementing a policy that allows staff to substitute gazetted public holidays with days that have more personal meaning to them.

We also measured gender equality through our annual report to the Workplace Gender Equality Agency (WGEA), which demonstrated that two-thirds of our board and 50% of key management personnel were female, and that 50% of all manager promotions went to female staff. ■



Celebrating International Women's Day 2021 in lockdown.

Financial results

**GOAL: Grow
our revenue**

Realising the benefits of our digital investment

The 2020–21 year represented the first year after a four-year investment strategy that had seen us invest deeply in building the organisation's capabilities in innovation, technology, digital product development, and online campaigning. That investment strategy had involved planned deficit budgets, drawing upon the organisation's cash reserves that had been built through previous years of strong financial performance.

The Board indicated to members that it intended to return the organisation to surplus by June 2021 and that was what we achieved.

Our revenue in 2020–21 increased by 4.3% to \$22.96m. In recent years, we have sought to diversify revenue in order to mitigate the risk of our reliance on membership. The general intention of diversification of revenue is to have a range of revenue models that respond differently to economic circumstances and 2020–21 demonstrated this, with a 7.6% increase in membership revenue more than offsetting a 7.1% decrease in revenue from other sources.

Operating expenditure (excluding cost of sales and expenditure against the travel grant mentioned below) increased

Our revenue increased by 4.3% to \$22.96m

by \$0.15m (0.7%) to \$21.17m. The increase largely reflected continued investment in digital product development and innovation. Our investments in these areas were strategically important as they delivered continuous improvements in the way we helped consumers through **choice.com.au**, which was critical to the growth in website traffic and membership. Some \$86,000 (0.4%) of operating expenditure was on activities to help consumers in the travel market, funded by a grant received in an earlier year.

Excluding expenditure against the travel grant, we ended the year with a surplus of \$0.26m, which exceeded the target set by the Board. We were pleased with this result given the



challenging economic conditions created by the COVID-19 pandemic.

Our cash and investments balance increased by \$1.77m (excluding cash used

from the travel grant). We ended the year with \$11.62m in cash and term deposits, providing a significant buffer over the cash reserves floor set by the Board. ■

	YEAR ENDED 30 JUNE 2021	YEAR ENDED 30 JUNE 2020
Revenue	\$22,455,978	\$21,549,338
Other income	\$501,051	\$468,605
Less: Direct costs	(\$1,525,738)	(\$1,431,531)
Less: Operating costs	(\$21,260,617)	(\$21,480,816)
Net surplus / (deficit)	\$170,674	(\$894,404)
Current assets	\$13,156,426	\$11,343,965
Non-current assets	\$8,615,553	\$9,440,345
Current liabilities	(\$9,233,486)	(\$8,622,577)
Non-current liabilities	(\$577,570)	(\$371,485)
Net equity	\$11,960,923	\$11,790,248

Meet our Board



Anita Tang (Chair)

Anita has a strong background in public policy reform and community organising across a range of social justice and community service areas. She is currently Community Organising Director at the Centre for Australian Progress, building the capacity of civil society for systems

change, following five years running her own advocacy and campaigning consultancy supporting NGOs to bring about social change. Her other experience includes more than a decade at Cancer Council NSW where she led the transformation of its advocacy work, and senior roles in the Community Services Commission and the Social Issues Committee of the NSW Legislative Council. She has

completed the Leadership, Organizing and Action: Leading Change program through Harvard University, as well as the Stanford Executive Program for Non-Profit Leaders. Anita has served on the Boards of the Council for Intellectual Disability NSW, the Intellectual Disability Rights Service and the Centre for Australian Progress. She is currently Chair of the Board of Democracy in Colour, a racial justice campaigning organisation. She is a long-standing member of CHOICE and while at the Cancer Council, led a number of collaborative projects with CHOICE, including campaigns against junk food advertising to children and the regulation and eventual ban of commercial solariums. Anita joined the Board in March 2017 and was appointed Chair in 2020. She is also Chair of the Impact Committee and a member of the Membership Growth & Engagement Committee.



Robert Southerton (Deputy Chair)

Robert is an experienced professional in marketing, digital, analytics and statistics. He has a broad range of experience across IT, telecommunications, finance and biotechnology industries, having worked for companies including BT Financial Group, ING

Direct and Unwired. He has a strong interest in data-driven decision making, and holds qualifications in statistics and operations

research. He also holds a Foundations of Directorship qualification from the AICD, gained in 2015. Robert is currently the Managing Director and co-founder of Gondwana Genomics, an Australian biotechnology company exporting genetic technology developed in Eucalyptus. Robert joined the CHOICE Board in September 2014 and was appointed Deputy Chair in November 2020. He is a member of the Finance, Risk & Audit and the Governance, Culture & Ethics Committees



Samantha Challinor

Samantha is a non-executive director, and has more than 20 years' experience in senior accounting, leadership and management roles. She is adept at bringing financial, information technology and risk management oversight and governance to organisations through expertise

gained in government, non-government, and multinational corporate sectors. Samantha is a non-executive director and governance nominations committee chair with RSL LifeCare, a non-executive

director and finance audit and risk committee chair with Sydney North Health Network, and an independent finance audit and risk committee member with the Australian Dental Council. Samantha's executive career included interim CEO at Arthritis NSW, director corporate services at Agency for Clinical Innovation (NSW Health), deputy CEO at Sydney North Shore and Beaches Medicare Local, and chief accountant at Lexmark International (Australia). Her areas of interest are in primary health, ageing and consumer advocacy. Samantha joined the CHOICE Board in November 2020 and is Chair of the Finance, Risk & Audit Committee.



Nic Cola

Nic is Group General Manager of Retail and Commercial at Helloworld Ltd. Prior to this he was a director at Satinay Partners, a consulting and advisory firm focused on advising media, market places, education and digital businesses. He also acts as Advisory Chair at

Ford Peterson, a recruitment company focused on accounting and professional services, and Advisory Chair of Picaluna, a disruptor in the funeral industry. Nic has over 22 years of general management and CEO experience in high growth, sales and marketing-led organisations, with expertise in delivering revenue and share growth across a diverse range of business models in traditional and digital

media, education, and e-commerce. His key strengths are strategy, mergers and acquisitions, operations, digital transformation and change management. His previous roles have included CEO of Open Colleges and CEO of Marketplaces at Fairfax Media where he was one of the founding executives of Fairfax Digital. Nic was active in building the digital industry in Australia having been on the board of the Australian Interactive Multimedia Industry association (AIMIA) for several years as well as serving as Chairman of the Australian Internet Advertising Bureau. He has a Bachelor of Business from UTS and is a graduate of the Australian Institute of Company Directors course. Nic joined the CHOICE Board in November 2019 and is Chair of the Membership Growth & Engagement Committee and a member of the Finance, Risk & Audit Committee.



Sandra Davey (Chair until 26 November 2020)

Sandra is an experienced digital and internet executive and founder of Organa. Her love is coaching and helping organisations streamline their digital product practices to improve agility, innovation and product success. Increasingly she works with

organisations to unpack the cultural and structural issues that impact their ability to create value. Her industry experience crosses telco/broadband, digital media, interactive TV, sport, libraries, industry associations and consumer advocacy. Sandra served as a director and chair of the Australian Interactive Media

Industry Association (AIMIA) during the 2000s and was one of the co-founders and inaugural directors of the Australian Domain Name Authority (auDA). For her contribution to the digital media industry, Sandra was inducted into AIMIA's Hall of Fame in 2015. She serves on the Board of auDA, Screenrights and with the Editorial Board of the Business Agility Institute. Sandra joined the Board of CHOICE in 2012 and was elected Chair in 2017. She chaired the Commercial Sustainability Committee and Investment Committee and was a member of the Governance, Culture & Ethics Committee and Technology & Data Committee. Sandra's final term on the Board ended at the 2020 AGM. ►



Katherine George

Kat has extensive experience in consumer policy and human rights, and is currently a manager in EY's Infrastructure Advisory working across health and human services, justice and utilities. She previously led the development of the Victorian Essential Services Commission's

strategy to support equitable access and fairness for all consumers through the regulation of essential services. Kat is interested in systems-thinking to drive economic and social inclusion, and the intersection between consumer wellbeing, human rights, and emerging technology. She is a director on the Board of Hope Street

Youth and Family Services, a youth homelessness service operating in the northern and western regions of Melbourne, and the chair of Hope Street's Millennial Advisory Group. Kat's experience includes more than seven years as a consultant in global media and communications. She also managed humanitarian aid projects and fundraising through field work in Greece at the height of the Syrian refugee crisis. Kat holds a Bachelor of Laws/Bachelor of Arts (Media & Communications) and Master of Laws. Through her Masters research, she explored human-rights-based approaches to regulation of essential services, data, competition and new technology, including AI and the implications of the Consumer Data Right. Kat was elected to the CHOICE Board in November 2020 and is a member of the Impact Committee.



Fiona Guthrie AM

Fiona has over 30 years' experience in consumer advocacy, including a number of years on the executive of the Consumers' Federation of Australia. Her main interest has been in advocating for people on low incomes or in vulnerable circumstances to get a fair go,

particularly in the financial services marketplace. Fiona has been the CEO of Financial Counselling Australia, the peak body for financial counsellors for over a decade. She has held directorships

on Energex Retail Pty Ltd, the Insurance Ombudsman Service and the Financial Ombudsman Service, and was previously chair of ASIC's Consumer Advisory Panel. Fiona is currently a member of the ACCC's Consumer Consultative Committee and a member of the Boards of Way Forward Debt Solutions and the Queensland Competition Authority. She holds a BA, LLB and MBA. Fiona was made a member of the Order of Australia in 2017 for her work in social welfare and financial counselling. She joined the Board in November 2015 and is a member of the Finance, Risk and Audit Committee and Governance, Culture & Ethics Committee.



Fiona Jolly

Fiona is an experienced non-executive director who works with boards and businesses undergoing change and growth and operating in highly regulated areas. She brings government experience and expertise in communications, traditional and digital media advertising and

marketing, stakeholder engagement, and international trade. She is a Director of Goodwin Aged Care, Rural Financial Counselling Service (NSW), Daramalan College, Cricket ACT, ACT Cemeteries and Crematoria Authority and is an elected Councillor for HCF. She has previously served as president of the YWCA of Australia and the chair

of Australian Business Volunteers. Her executive career spans significant work on regulation reform with both the government and private sector. Spending nearly 10 years with Food Standards Australia New Zealand (FSANZ), she worked extensively on food policy issues with industry organisations and state and territory governments. Until 2020, she was CEO of Ad Standards, the Australian advertising industry self-regulation body, and implemented reforms to the self-regulation system and to industry codes regulating advertising content. She was instrumental in setting up the International Council for Advertising Standards. Fiona was elected to the CHOICE Board in November 2020 and is a member of the Governance, Culture & Ethics and the Membership Growth & Engagement Committees.



Alexandra Kelly

Alexandra is Director of Casework at the Financial Rights Legal Centre, which operates the National Debt Helpline in NSW, Mob Strong Debt Help and the Insurance Law Service. She is a member of the Law Council's Australian Consumer Law Committee and is the consumer

representative on the Life Insurance Code Compliance Committee. She served on the Board of the Financial Counsellors Association of

NSW from 2009 to 2012. She has considerable experience developing consumer rights in the financial services sector through lobbying, working with regulators and government, and raising public awareness of issues in the media and through online financial literacy campaigns. She brings to the CHOICE Board high-level legal expertise, extensive sectoral knowledge, and understanding of social enterprises. She holds a Bachelor of Laws (Hons)/Bachelor of Psychology and Master of Laws. She was appointed to the Board in 2017 and is Chair of the Governance, Culture & Ethics and a member of the Impact Committee.



Ben Naparstek

Ben has a decade's experience managing cross-functional teams across content, marketing and emerging technologies. He headed up online at SBS and served as the digital director of communications marketing firm Edelman, leading the Australian office's

team of videographers, designers, UX experts, social curators, paid media specialists, programmers and producers. Ben has served as editor-in-chief of Fairfax Media's *Good Weekend* magazine and national current affairs magazine *The Monthly*. More recently, Ben headed up content for Audible Australia & New Zealand. Ben was appointed to the CHOICE Board in October 2018 and is a member of the Membership Growth & Engagement and the Impact Committees.



Helen Wiseman (until 26 November 2020)

Helen Wiseman is a non-executive director, professional mentor and philanthropist with over 30 years' business experience across a range of sectors including technology, food, pharmaceutical, insurance, energy and not for profits. A former KPMG partner, Helen is a

highly experienced audit committee chair having held this role for a number of boards. Helen is currently a non-executive director and audit committee chair for the South African holding company of the

global Bidfood foodservice business. She is Chair of Elixinol Global Limited and a Director of AIME. In 2018, Helen completed the 2018 INSEAD International Directors Program. Helen also has a deep interest in supporting children of prisoners through her role as a Vice-Patron of SHINE for Kids. She also established the By My Side sub-fund of the Sydney Community Foundation to further her philanthropic support in this area. Helen joined the CHOICE Board in November 2014 and was Chair of the Finance, Risk and Audit Committee until the end of her term in November 2020. ■